

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	No. 4:06CV01064 CEJ
v.	)	
	)	
BETONSPORTS PLC,	)	
	)	
Defendant.	)	

**ORDER OF PERMANENT INJUNCTION**

Based upon the unchallenged record<sup>1</sup> in this case, the Court makes the following findings of fact and conclusions of law and, by consent of the parties, enters this permanent injunction against BETONSPORTS PLC.

**FINDINGS OF FACT**

1. Defendant BETONSPORTS PLC is a publicly traded holding company incorporated in the United Kingdom. BETONSPORTS PLC does business in the United States and in the Eastern District of Missouri by conducting illegal gambling businesses that offer wagering on sports and sporting events through Internet web sites and toll-free telephone services. BETONSPORTS PLC is made up of subsidiaries including BOS (Antigua) Ltd.; BOS (Costa Rica) S.A.; Infinity Sports International Corporation; Gibraltar Sports Corporation; Mill (Antigua) Ltd.; Millennium Sports Corporation; Sports on the Internet Ltd.; Wagermall.com Inc.; and Lansford Industries, Inc. BETONSPORTS PLC operates a number of Internet businesses,

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<sup>1</sup>The parties agree that the relevant record consists of the Complaint's allegations and supporting Affidavit, which assertions are presented by the United States without challenge by BETONSPORTS PLC for the sole purpose of this document and this proceeding and which in no way constitutes an admission.

including BETonSPORTS.COM; BoSGAMING.NET; BoSPOKER.COM; BoSCASINO.COM; Wagermall.com; Wagermall Poker.com; MVP Sportsbook & Casino; Gibraltar Sports; ROCKISLANDSPORTS; ROCKISLANDCASINO; Millennium Sports; Millpoker.com; Jagbet.com; Jagcasino.com; BETTORSTRUST.COM;. BETTORSTRUST-CASINO.COM; Infinity Sports International; Infinity Pokerclub.com; and betabet. A complete listing of the Internet domain names BETONSPORTS PLC uses to direct Internet users to its web sites is attached as Exhibit A and herein incorporated by reference.

2. Prior to a July 2004 public offering of stock through the Alternative Investment Market in London, the Internet sportsbooks were jointly operated by the same individuals as BETonSPORTS.COM, Infinity, Millennium, Jaguar, and others. These Internet sportsbooks operated illegally throughout the United States. Since the formation of BETONSPORTS PLC, the company has added at least five additional Internet sportsbooks to its business, at least three of which are "U.S. facing" operations.

3. BETONSPORTS PLC took in wagers amounting to \$1,104,519,000.00 in 2002, \$1,238,459,000.00 in 2003, and \$1,252,328,000.00 in 2004. Ninety-eight percent of this money was taken in as sports wagers from gamblers in the United States, who placed their bets using toll-free telephone services and Internet web sites.

4. BETONSPORTS PLC owns BETonSPORTS.COM; BOS (Antigua) Ltd.; BOS (Costa Rica) S.A.; Infinity Sports International Corporation; Gibraltar Sports Corporation; Mill (Antigua) Ltd.; Millennium Sports Corporation; Sports on the Internet Ltd.; Wagermall.com Inc.; and Lansford Industries, Inc. A full listing of the domain names associated with BETONSPORTS PLC and registered in the United States is attached as Exhibit A, and herein

incorporated by reference.

5. BETonSPORTS.COM and the other BETONSPORTS PLC Internet web sites are physically located in San Jose, Costa Rica, with some support equipment located in Antigua. To open a wagering account with these web sites, or to place bets via a toll-free telephone service, would-be gamblers are directed to send money to a third party in a third country, usually in Latin America or the Carribean. The money can be sent by check, credit card, or wire transmission. Once the deposit is confirmed, the gambler can use an Internet-connected computer or a toll free telephone number to place bets.

6. According to the prospectus published at the time of the BETONSPORTS PLC initial public offering, the individuals in control of the enterprise, among whom were David Carruthers, the CEO of BETonSPORTS.COM, well knew that U.S. law prohibits the use of interstate and international wire communication facilities to transmit sports wagers and betting information:

The Group<sup>2</sup> has received legal advice that, notwithstanding that the Group's activities may be deemed illegal under US law, there are jurisdictional issues regarding the imposition, adjudication and enforcement of US law against the Group and the Directors, since the Group's relevant operating subsidiaries are not incorporated in the US and do not have any physical presence in the US. The Directors have been advised that, for jurisdictional reasons, it would be difficult for any Group company to be prosecuted on a criminal charge in the US or for a Director to be prosecuted on a criminal charge on his own behalf or on behalf of the company of which he was a Director if he were not physically present in the US.

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<sup>2</sup>"The Group" consists of BETONSPORTS PLC, its subsidiaries and the Millennium Group, web sites that Gary Kaplan owned with Norman Steinberg, also know as "Tom Miller" and "David Norman." BETONSPORTS PLC purchased the Millennium Group at the time of the IPO.

7. In order to publicize the BETONSPORTS PLC sports gambling web sites and toll-free telephone services, the organization spends millions of dollars on print, radio and television advertising in the United States. In many of these ads, BETONSPORTS PLC states that its sports gambling web sites are “legal and licensed” to operate in the United States. This advertising is fraudulent. None of the BETONSPORTS PLC web sites are licensed to operate bookmaking operations anywhere in the United States. Internet gambling involving interstate or international wire transmissions is not legal anywhere in the United States, except as explicitly authorized by statute.

8. On printed advertising, the logo for BETonSPORTS.COM is generally followed by the statement: “World’s Largest, Legal and Licensed Sportsbook.” One BETonSPORTS.COM flyer mailed out between July 7 and July 11 of 2003 contained the following statement:

**Legal Status** - Is your current book legal? Do they hold a license anywhere? Does the country your Book is located in even issue licenses? BetonSports.com is the only sportsbook & casino in the world licensed on three continents by the governments of the United Kingdom, Costa Rica and Ireland, ensuring our customers of the legitimacy of our operations.

Similarly, another BETonSPORTS.COM flyer states:

**Legal Situation** - Is your book legally licensed to operate? BetonSports.com Sportsbook and Casino holds gaming licenses in Antigua, Costa Rica, United Kingdom and Ireland. We are licensed and legal in all jurisdictions we have operations.

9. During 2002 and 2003, BETonSPORTS.COM ran “legal and licensed” ads on radio stations WTEM-AM in Washington, D.C. [between March 7 and March 24, 2002]; WNNZ in Springfield, Massachusetts [between August 18 and August 31, 2003]; WINZ-AM in Miami,

Florida [between August 19 and September 2, 2002]; WOFX-AM in Albany, New York [between September 8, 2003 and December 26, 2003]; KTZN in Anchorage, Alaska [between September 11 and September 23, 2003]; WAVZ in New Haven, Connecticut [between September 11 and September 28, 2003]; KEJO-AM in Albany, Oregon [between September 11 and September 28, 2003]; KIST in Santa Barbara, California [between September 11 and September 28, 2003]; and KIIIX in Ft. Collins, Colorado [between September 11 and September 28, 2003].

10. A typical BETonSPORTS.COM radio ad script states:

**WHEW!!!!!!** Was that a great weekend of basketball or what??? Bring on the **SWEET SIXTEEN!** Why don't you call **BETONSPORTS.com** at 1 888-996-BETS and get action on every tourney game on the board. There's no bigger rush than when my team beats the spread. What do *you* think all those crazies are yelling about at the sports bar . . . **THE FOOD??**

**BETONSPORTS.COM, AT 1-888-998-BETS IS THE WORLD'S LARGEST LEGAL & LICENSED OFFSHORE SPORTSBOOK WITH THE LATEST TOURNEY LINES . . . TOTALS, HALFTIMES, PARLAYS, AND TEASERS.**

**BETONSPORTS.COM HAS OVER 1,000 OPERATORS WORKING 24/7 TO MAKE SURE ALL YOUR WAGERS ARE DOWN BEFORE TIP-OFF. THEIR MARCH MADNESS PACKAGE INCLUDES UP TO A 20 PERCENT SIGN-UP BONUS FOR ALL NEW AND EXISTING ACCOUNTS WITH GUARANTEED NEXT DAY PAYOUTS. AND REMEMBER YOU CAN PLAY FOR FREE IN THE CASINO.**

**CALL 888-996-B-E-T-S AND GET YOUR BET DOWN TONIGHT . . . THAT'S 888-996-2387. OR LOG ON TO BETONSPORTS.COM**

11. During the 2002 football season, BETonSPORTS.COM used a company called Mobile Promotions to solicit sports wagers in the Eastern District of Missouri and elsewhere. Mobile Promotions bought recreational vehicles with money provided by BETonSPORTS.COM,



and covered the vehicles with advertising for BETonSPORTS.COM and MVP, another BETONSPORTS PLC owned and controlled gambling web site. Mobile Promotions employees parked the vehicles at or near stadiums during games, and asked passers by to sign up as gamblers with BETonSPORTS.COM and MVP.

12. During the 2002 football season, undercover police officers placed sports bets with BETonSPORTS.COM from the recreational vehicles operated by Mobile Promotions, while those vehicles were located in Tampa and Jacksonville, Florida. The owners and operators of Mobile Promotions were indicted by the State of Florida on racketeering and bookmaking charges. (*State of Florida v. Monica Lenis and William Hernan Lenis*, Case Number 04-CF-3625. Resolved by misdemeanor pleas on March 24, 2006.) BETonSPORTS.COM was named as an unindicted co-conspirator in that indictment.

13. On October 20, 2002, one of the BETonSPORTS.COM recreational vehicles was parked in a lot on the south side of Carr Street, between 2<sup>nd</sup> and 3<sup>rd</sup> Streets in St. Louis. Two Special Agents of the Internal Revenue Service Criminal Investigations Division and an FBI Special Agent visited the BETonSPORTS.COM recreational vehicle in an undercover capacity. Individuals wearing clothing with BETonSPORTS.COM logos asked the agents to open accounts with BETonSPORTS.COM, and one of the agents did open an account, using a form and a telephone supplied at the BETonSPORTS.COM recreational vehicle.

14. During September to October, 2003, BETonSPORTS.COM and other BETONSPORTS PLC Internet gambling web sites sent printed advertising from Florida to St. Louis, through the United States Postal System. This material states that BETonSPORTS.COM is the "World's Largest, Legal and Licensed Sportsbook." In one of the

BETonSPORTS.COM brochures, “legal and licensed” is repeated four times on the same page. During 2001 and 2002, BETonSPORTS.COM paid DME Global Marketing and Fulfillment approximately \$2,118,883.85 to print and mail its advertising. One DME invoice for a BETonSPORTS.COM brochure covered costs for mailing 2,000,000 pieces. In July of 2004, one predecessor of BETONSPORTS PLC printed and mailed 135,000 flyers advertising Infinity Sports International ([www.betoninternet.com](http://www.betoninternet.com)). Immediately under the Infinity logo, the flyer said “Legal and Licensed Sports Wagering.” Most of the advertising for BETONSPORTS PLC-controlled web sites contained the term “licensed,” and much of it contained the terms “legal and licensed.”

15. Advertising for BETONSPORTS PLC controlled web sites refers gamblers to the Offshore Gaming Association (“OSGA”) and the International Sports Book Council (“ISBC”). These organizations are advertised as “regulatory” in nature. The web site for the OSGA states:

The Off Shore Gaming Association (OSGA) is an independent ‘watchdog’ agency that monitors the Off Shore Sports Gaming Industry in an effort to provide the public an avenue to find reputable companies to wager with.

We are a professional non-biased third party organization that gives objective opinions, based on your feedback, independent research, phone calls, tips and inside news. We at the Off Shore Gaming Association started this business with the customer in mind.

We are resolved to keeping the philosophy that there are safe places for sports gambling. Because of the climate in the industry today people need to have additional information on offshore sportsbooks and online casinos from an outside source. An educated gambler needs to know where to get information for online gambling.

The ISBC web site states:

We are a professional non-biased third party (**notice there are NO ads or banners**) organization that gives objective opinions, based on your feedback,

independent research, phone calls, tips and inside news. We at the ISBC have decided that the online gaming customer needs a reliable watchdog. We are determined to provide the gaming client with 100% confidence that the gaming company he or she chooses is of the highest standards. The climate of the offshore gaming industry has made people need to have additional information on sportsbooks and casinos from an outside source. An educated gambler needs to know where to get this information. Browse our site to choose a safe and reliable company with which to wager.

Both of these web sites are controlled by BETONSPORTS PLC. The “recommended” Internet sports books on the OSGA site include BETonSPORTS.COM, BettorsTrust, Infinity Sports, Millennium, Jaguar, Rock Island, Gibraltar, BetonFantasy, Wagermall and IbetBig, all BETONSPORTS PLC web sites. Every single one of the “certified” Internet sports books on the ISBC site are owned by BETONSPORTS PLC. The promotional material sent to St. Louis included letters from the OSGA and ISBC touting BETonSPORTS.COM, Millennium and other BETONSPORTS PLC web sites.

16. The BETONSPORTS PLC prospectus shows that the use of the OSGA and ISBC “watchdog” web sites to mislead is part of a calculated strategy to deceive the organization’s gambling customers;

The Directors believe that brand reputation is critical to customer acquisition and retention in the online gambling industry. The Group operates through 11 principal sportsbook brands of which the BETonSPORTS brand name is the most significant. Each of these sportsbooks is presented to customers as a stand-alone business, rather than being overtly linked to the others, and each is designed to appeal to a different type of customer. The Directors believe that this multiple brand approach is effective at reducing the impact of customer ‘churn’ (where a customer leaves one sportsbook in favor of another). If a customer ceases to bet with one sportsbook brand, the Group is able to offer another of its brands in order to try to retain the customer within the Group, rather than losing market share to a competitor.



17. From January to July of 2002, undercover FBI agents in St. Louis used interstate/international telephone calls and computer Internet communications to open accounts and place bets with Internet gambling web sites now owned and/or controlled by BETONSPORTS PLC. The undercover agents arranged to make payment through Western Union wire transfers. The undercover agents were instructed to send the money to open wagering accounts to third party recipients, and not directly to the gambling web site.

18. FBI and IRS investigators have traced Western Union transfers back to eighteen individual gamblers. From 2001 to 2004, these individuals sent at least \$2.5 million dollars to Internet sportsbooks, a majority of the money going to BETonSPORTS.COM. More than \$40,000 of this amount came from two gamblers in the Eastern District of Missouri.

19. BETONSPORTS PLC and its predecessors have claimed that its operations in the United States do not violate U.S. law, because BETONSPORTS PLC conducts its gambling business in Costa Rica, and other locations outside the United States, and not in the United States itself. For example, in October of 2002, when the BETonSPORTS.COM recreational vehicle was in Tampa, and Mobile Promotions employees were arrested, David Carruthers, the CEO of BETonSPORTS.COM and a Director of BETONSPORTS PLC told the St. Petersburg Times that the bets they took were completely legal, because they were placed outside the United States. "By using the Internet, [Carruthers] said, gamblers can place bets via Costa Rica, avoiding U.S. laws against gambling."

20. According to the last Annual Report (covering the 53 weeks up to February 6, 2005) for BETONSPORTS PLC, the company's sportsbooks took 2.9 million bets by phone, and 7 million bets over the Internet. The average phone bet was \$201, and the average Internet bet

was \$72 (average sports bet, \$109). American football represented 39%, basketball 36% and baseball 22% (97% total) of all the bets placed.

21. On September 4, 2005, the following statements were posted on the BETonSPORTS.COM web site, domain name, bosplc.com:

#### About Us

The companies within the group operate out of regulated and licensed jurisdictions . . . BETonSPORTS works actively with governments to promote the position that the future of the industry is best served by regulation to ensure that customers can be confident in a reliable and secure betting forum.

#### Marketing

BETonSPORTS enjoys a virtuous circle wherein the ability of a successful company in this sector to generate strong cashflow provides solid financial resources to build brand awareness and acquire and retain customers. . . . In advance of the 2005 season, a major online push has broadened the BETonSPORTS marketing mix. This initiative has seen a significant investment in banner ads and keyword purchase, an intense focus on search engine optimization and frenetic development of an enhanced affiliate program to drive traffic through third party sites.

#### business development

While cementing BETonSPORTS position as a market leader in the key North American region through increased marketing, affiliate programs and customer retention/cross selling initiatives, BETonSPORTS is always looking to expand its global reach by seizing opportunities in all territories.

22. The BETonSPORTS PLC web site provides a downloadable "snapshot" of the organization. On September 4, 2005, this "snapshot" stated:

#### Strategy

In 2004 the global spend on internet gaming and wagering was estimated to be in excess of \$8.2 billion with 50% of this emanating from the United States. Although the industry has experienced dramatic growth to achieve this value, it represents a little over 3% of the total global gaming market. That revenue share is predicted to grow to 8% in the next four years

Underpinning all BETonSPORTS development is the constant priority to expand both revenue and market share in the core United States market . . . .

23. On September 5, 2005, a story regarding Internet gambling appeared in The Miami Herald. This story, titled "International Gamble Pays Off," stated that BETONSPORTS PLC "is just one offshore company that's cashing in big on the popularity of Internet gambling," and that U.S. companies could not compete because Internet gambling is illegal in the United States. The Chief Operating Officer of BETONSPORTS PLC is quoted as saying "[t]his is good, because currently the U.S. gambling market is a gray area from a regulatory standpoint."

24. On October 21, 2005, BETonSPORTS issued a press release titled, "BETonSPORTS Hits the Road for Tailgating Trail." One version of the press release that appeared on the Internet stated:

The flagship brand of BETonSPORTS PLC announced the schedule for its luxury buses that will hit football hotbeds across the country this fall.

The buses, which will be making appearances every week at key college and pro football games around America, take tailgating to a new level and allow fans to learn more about the BETonSPORTS brand. . . .

The accompanying schedule covers 40 dates between October 22, 2005 and February 5, 2006. An "About BETonSPORTS" section states, "BETonSPORTS is one of the largest licensed and publicly-traded online wagering companies in the world. Operated by BETonSPORTS plc, BETonSPORTS is licensed in Europe and the Caribbean with offices in London, Costa Rica, Antigua, the Dominican Republic, Guatemala, Mexico and Malaysia."

25. On July 12, 2006, law enforcement personnel accessed the sportsbook web sites BetonSports.com, Jagbet.com (Jaguar Sportsbook) and several others owned and operated by BETONSPORTS PLC. The following statements were displayed on those web sites:

BetonSports.com: Betonsports continues to redefine the image of offshore gaming operations. We now occupy over 110,000 sq ft of prime office space in San Jose Cost [sic] Rica and our 24/7 operation is staffed by over 2,000 motivated and bilingual customer services [sic]. We are one of the World's Largest, Legal & Licensed Sportsbook [sic].

MVPBets.com: MVPbets.com is an industry leader in providing a safe, legal and secure place to wager on football, basketball, baseball, hockey, NASCAR, boxing and more.... Whatever your sporting event might be we got [sic] a line for you to wager on, from any location in the world.

MVPSportsbook.com: MVP Sportsbook is an offshore sportsbook licensed by the government of Costa Rica to service sports gaming enthusiasts world-wide.

Jagbet.com: **Is Jaguar Sports a legal company?**  
Jaguar Sports International is a part of the BETonSPORTS PLC group. A publicly listed company in the London Stock Exchange.  
**Is it legal to wager at Jaguar Sports?**  
Yes, however you must be at least 18 to place wagers according to Costa Rican law. Jaguar Sports will not honor wagers placed by minors, or college/professional athletes. We remind you to check with your local authorities on the gaming regulations in your area.

Players Super Book: Founded in 1998 with three generations of sports gaming experience, Players Super Book was promptly licensed and regulated by the local government in Europe and the Caribbean to provide sports and casino wagering world-wide.

V-Wager.com: Here at V-Wager.com you will find the best 2006 NBA Basketball wagering online entertainment, with the standard for reliable, accessible, and secure gaming on the Internet. To ensure complete legality, all transactions and wagers shall be

considered originating from Costa Rica and licensed in Europe and the Caribbean.

Infinitypokerclub.com,

Millpoker.com:

Is playing poke with Millennium Sports legal?

Yes. Millennium Sports holds multiple licenses, among them one issued by the government of Costa Rica and one issued by the government of Barbuda & Antigua. MillPoker is a division of Millennium Sports a company owned and operated by World pay Solutions Ltd. Minshull House 67 Wellington Rd North Stockport, Cheshire SK4-2LP, UK and part of a Publicly Traded Company Listed on AIM, a Market Operated by The London Stock Exchange PLC. Customers should check the laws and regulations in their own country and comply with them.

26. Based on documents published by BETONSPORTS PLC, during the time period from January of 2002 through February 6, 2005, BETONSPORTS PLC and its predecessors took in bets totaling \$4.6 billion dollars. Ten percent [the “vig,” or charge made on a losing bet] of that amount is \$460,000,000.00.

27. As of July 12, 2006, BETONSPORTS PLC maintained 71 toll-free telephone numbers used to take wagers on sports and sporting events, and to transmit wagering information in interstate and foreign commerce.

28. As of July 12, 2006, Internet web sites operated by the defendant and accessible from the United States offered Neteller, Neteller Instacash, Firepay, Electronic Money Transfer, Visa/Mastercard, Citadel Commerce, Cashiers Check and Bankwire as mechanisms for funding a wagering account, and receiving payouts. The defendant’s primary Internet sportsbook, BETonSPORTS.COM, stated that payouts requested by cashiers checks would be delivered to the gambler by courier service.



29. On July 17, 2006, upon a Complaint filed by the United States, this Court issued a Temporary Restraining Order (“TRO”) requiring the defendant to stop its operations in the United States, among other things. The defendant, through counsel, has asserted its ongoing intention and efforts to comply with the TRO.

30. Under United States law, it is illegal to transmit a wager on a sporting event or contest over an interstate wire communication facility. See Title 18, United States Code, §1084.<sup>3</sup>

31. United States federal statutes also prohibit the operation of an illegal gambling business. See Title 18, United States Code, § 1955.<sup>4</sup> The State of Missouri outlaws gambling and the promotion of gambling outside of heavily regulated river boat casinos, §§572.020 and 572.030, Mo. Rev. Stat.

32. It is also a violation of federal law to use interstate wire communications, or the U.S. mail system, to perpetrate a fraud. See Title, 18 United States Code, §§ 1341 and 1343.<sup>5</sup>

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<sup>3</sup> (a) Whoever being engaged in the business of betting or wagering knowingly uses a wire communication facility for the transmission in interstate or foreign commerce of bets or wagers or information assisting in the placing of bets or wagers on any sporting event or contest, or for the transmission of a wire communication which entitles the recipient to receive money or credit as a result of bets or wagers, or for information assisting in the placing of bets or wagers, shall be fined under this title or imprisoned not more than two years, or both.

<sup>4</sup> (a) Whoever conducts, finances, manages supervises, directs, or owns all or part of an illegal gambling business shall be fined under this title or imprisoned not more than five years, or both.

(b) As used in this section – (1) ‘illegal gambling business’ means a gambling business which – (I) is a violation of the law of a State or political subdivision in which it is conducted; (ii) involves five or more persons who conduct, finance, manage, supervise, direct, or own all or part of such business; and (iii) has been or remains in substantially continuous operation for a period in excess of thirty days or has a gross revenue of \$2,000 in any single day.

(2) “gambling” includes but is not limited to . . . bookmaking . . .

<sup>5</sup> Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or

**CONCLUSIONS OF LAW**

A. An Injunction is Warranted Under 18 U.S.C. §1345

33. Title 18, United States Code, §1345 authorizes federal courts to enjoin the conduct of persons who are engaged in a fraudulent scheme.<sup>6</sup> In order to obtain relief under §1345, the government must establish that: (1) the defendant voluntarily and intentionally devised or participated in a scheme to obtain money, property or property rights by means of material false representations; (2) the defendant did so with the intent to defraud; (3) it was reasonably foreseeable that the mail or interstate wire communications would be used in the course of the scheme; and (4) the mail or interstate wire communications were used in furtherance of some essential step in the scheme.

34. The government's Complaint and the Affidavit submitted in support of that Complaint establish by a preponderance of the evidence that the defendant, BETONSPORTS

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promises, . . . , for the purpose of executing such scheme or artifice or attempting so to do, places in any post office or authorized depository for mail matter, any matter or thing whatever to be sent or delivered by the Postal Service, or deposits or causes to be deposited any matter or thing whatever to be sent or delivered by any private or commercial interstate carrier, or takes or receives therefrom, any such matter or thing, or knowingly causes to be delivered by mail or such carrier according to the direction thereon, or at the place at which it is directed to be delivered by the person to whom it is addressed, any such matter or thing, [has committed an offense].

Whoever, having devised or intending to devise any scheme or artifice to defraud, or for obtaining money or property by means of false or fraudulent pretenses, representations, or promises, transmits or causes to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing such scheme or artifice, [has committed an offense].

<sup>6</sup>(a)(1) If a person is (A) violating or about to violate this chapter . . . The Attorney General may commence a civil action in any Federal court to enjoin such violation.

PLC: (1) implemented a fraudulent scheme in the Eastern District of Missouri and elsewhere; (2) made material false representations regarding the legality of Internet gambling to residents of the United States, including those in the Eastern District of Missouri; (3) made these false representations with the intent to defraud; (4) that it was not only reasonably foreseeable, but inevitable that the mails and interstate wire communications would be used to implement the scheme to defraud; and (4) that mailings and interstate wire communications were in fact used to further an essential step of the scheme, specifically, the use of wire communications facilities to place sports bets, and the use of the mail to deliver fraudulent advertising.

B. Equitable Relief is Appropriate

35. In the Eighth Circuit, the factors that support the exercise of the Court's equitable power are laid out in Dataphase Systems Inc. v. C.L. Systems, Inc., 640 F.2d 109, 113 (8<sup>th</sup> Cir. 1981) (en banc). Those factors are: (1) A substantial threat that the plaintiff will suffer irreparable harm if the relief is not granted; (2) the irreparable harm to the plaintiff outweighs any potential harm that granting an injunction may cause the defendant; (3) a substantial probability that the plaintiff will prevail on the merits; and (4) the public interest will be served.

36. In this case, the defendant has no legally recognizable right to operate in the United States. Therefore, the defendant cannot suffer a legally recognizable harm in being required to cease those operations. The harm to the United States and to the several States, including loss in tax revenue and subversion of State and federal regulatory programs designed to regulate gambling, is substantial. The United States has demonstrated a substantial probability that it would prevail on the merits in this case, and the public interest will be served by the cessation of illegal conduct carried on by the defendant. The defendant has made no admissions,

but has not contested the allegations of the Complaint and supporting documents, and has agreed to the conversion of the TRO to a permanent injunction. Therefore, the United States is entitled to a permanent injunction in this matter.

IT IS ACCORDINGLY ORDERED THAT:

ORDER OF PERMANENT INJUNCTION

Defendant BETONSPORTS PLC, its agents, contractors and other entities having possession or control of the instrumentalities used by the defendant, its officers, employees, and all persons participating in or assisting in the defendant's operation are barred:

(1) from continuing to perpetrate a fraudulent scheme of operating an illegal gambling business through Internet web sites and telephone services in violation of 18 U.S.C. §§ 1341 & 1343;

(2) from continuing to operate or control or cause the operation of any web site that purports to offer sports betting, or transmit betting information in the United States;

(3) from continuing to operate or control or cause the operation of any telephone service that purports to offer sports betting, or transmit betting information in the United States;

(4) from soliciting and accepting wagers on sports and sporting events from persons in the jurisdiction of the United States;

(5) from causing the transmission of wagering information using interstate and international wire communications facilities within the United States;

(6) from causing the transmission of funds solicited from persons in the United States for the purpose of placing wagers on sports and sporting events to the

defendant and its agents outside the United States;

(7) from advertising, by any method, or in any media, or causing the advertising of any gambling activity which is in violation of United States law, specifically 18 U.S.C. § 1084 (the “Wire Wager Act”);

(8) from transporting gambling paraphernalia, or causing the transportation of gambling paraphernalia in the United States, in violation of United States law, specifically 18 U.S.C. § 1952;

(9) from transferring or causing the transfer of funds to the United States, within the United States, or from the United States in violation of United States law, specifically 18 U.S.C. §§ 1956 and 1957; and

(10) from causing persons or items to move in interstate or foreign commerce within the United States in violation of United States law, specifically 18 U.S.C. §§ 1952 and 1953.

FURTHER, the defendant BETONSPORTS PLC is ordered to:

(11) inform any current providers of telephone services listed in Exhibit C, attached and herein incorporated by reference, that it is ceasing illegal operations in the United States, and that it will no longer accept wagers, or allow the transmission of betting information through interstate and foreign communication facilities in the U.S., such being and having been in violation of federal law;

(12) return to the sender the balance of funds in its possession as of July 17, 2006, received from persons in the United States, for the purpose of opening a sports betting wagering account;



(13) set up a toll free telephone service for each web site it operated that was accessible from the United States, to provide refund information to each person in the United States who has a wagering account with each web site operated by the defendant in the United States;

(14) direct and advise the United States Patent and Trademark Office that the defendant relinquishes rights to and cancels, and that the Office should cancel, the U.S. trademarks used by the defendant in its illegal enterprise, to wit: BETONSPORTS.COM; NASA SPORTS BOOK; WAGERMALL.COM; MILLENNIUM SPORTS; BETTOR'S TRUST; JAGUAR SPORTS INTERNATIONAL; ROCK ISLAND SPORTS; GIBRALTAR SPORTS; and INFINITY SPORTS INTERNATIONAL. This Order does not apply to the defendant's use of these trade names outside the jurisdiction of the United States, so long as the defendant does not represent any of these trade names as being U.S. trademarked.

FURTHERMORE, this Court hereby Orders

(15) arrange that the registries for the domain names listed in Exhibit A, at registrars Directnic, Register.com, GoDaddy.com, Network Solutions and any other United States based company shall be transferred to Nominet UK, Sandford Gate, Sandy Lane West, Oxford, OX4 6LB, United Kingdom by the FBI Cybersquad St. Louis, 2222 Market Street, St. Louis, MO 63103 within 14 days of this order. The billing contact for all domain names transferred will be BetonSports PLC, Attn: Financial Manager, Countymark House, 50 Regent Street, London, W1B5RD, United Kingdom. The Technical contact for all domain names transferred will be BetonSports plc, Attn: Technical Manager, Countymark House, 50 Regent Street, London, W1B5RD, United Kingdom. The transfer process shall supervised by the FBI.

defendant shall: (a) prevent access from all US territories and jurisdictions to all of the defendant's gambling websites listed in Exhibit A or otherwise and (b) in the event of access, display the message set forth in paragraph 16 below. Until the transfer is accomplished, the status quo shall be maintained. If this process requires a period greater than 14 days to accomplish, the parties shall notify the Court.

FURTHERMORE,

(16) the defendant must post, on each web site it operates that is accessible from the United States, the following message on its primary access page:

**THIS WEB SITE DOES NOT ACCEPT WAGERS ON SPORTS OR SPORTING EVENTS FROM PERSONS IN THE UNITED STATES. IT IS A VIOLATION OF UNITED STATES LAW TO TRANSMIT SPORTS WAGERS OR BETTING INFORMATION TO THIS WEB SITE FROM THE UNITED STATES.**

(17) the defendant must provide an automated message on each telephone wagering service it operates in the United States, stating the following:

**THIS TELEPHONE SERVICE DOES NOT ACCEPT WAGERS ON SPORTS OR SPORTING EVENTS FROM PERSONS IN THE UNITED STATES. IT IS A VIOLATION OF UNITED STATES LAW TO TRANSMIT SPORTS WAGERS OR BETTING INFORMATION ON THIS TELEPHONE LINE. IF YOU HAVE A WAGERING ACCOUNT WITH THE OPERATORS OF THIS TELEPHONE LINE, HANG UP AND CALL [TOLL FREE TELEPHONE NUMBER] TO ARRANGE A REFUND.**

(18) the defendant must place the following statement as a full page advertisement in a newspaper of national U.S. circulation (*i.e.*, *The Wall Street Journal* or *USA Today*);

**BETONSPORTS PLC, WHICH OWNS AND OPERATES THE LISTED INTERNET WEB SITES AND TELEPHONE BETTING SERVICES [insert list], IS NO LONGER ACCEPTING WAGERS FROM PERSONS IN THE UNITED STATES. IT IS A VIOLATION OF UNITED STATES LAW TO TRANSMIT SPORTS WAGERS OR BETTING INFORMATION USING INTERSTATE OR INTERNATIONAL TELEPHONE LINES. IF YOU HAVE A WAGERING ACCOUNT WITH A BETONSPORTS PLC**

**SPORTSBOOK OR TELEPHONE WAGERING SERVICE, PLEASE  
CALL [TOLL FREE TELEPHONE NUMBER] TO ARRANGE A  
REFUND.**

FURTHERMORE, this Court hereby

(19) Orders the defendant, its agents, employees, attorneys, and all persons acting in concert and in participation with it to provide to the United States the following materials within seven (7) calendar days:

(A) a list of all financial institutions, including but not limited to banks and brokerage houses, at which the defendant currently maintains or has maintained savings, checking or other accounts during the previous five (5) years;

(B) a list of all the names under which the defendant has operated in the United States, including the names of individual persons, entities and trademarks; and

(C) the defendant shall preserve all business records relating to the scheme described in the Complaint and attached Affidavit, and shall not dispose of any such records without the consent of the United States Department of Justice and, therefore, shall provide the United States free and reasonable access to and use of such records in preparing for and conducting litigation and related investigation. The defendant shall deliver to the United States an inventory of these records within 14 days of the entry of this Order.

SO ORDERED:

\_\_\_\_\_  
Honorable Carol E. Jackson  
United States District Judge

\_\_\_\_\_  
Date: November 9, 2006